IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.2791 OF 2005

IN

SUIT NO.2541 OF 2005

Dollar Store Corporation & others. ...Plaintiffs.

vs.

Nanson Overseas Pvt. Ltd. ...Defendant

Mr.Rahul Chitnis i/b. Ms.Hariani & Co., for Plaintiffs.

Dr.V.V.Tulzapurkar with V.R.Dhond & Mr.Khokawala i/b. Nankani & Associates, for Defendant.

CORAM: D.K.DESHMUKH,J.

DATED: 20th June,2007.

P.C.:-

1. This is a notice of motion taken out by the plaintiffs. There are three plaintiffs. According to the averments in the plaint,

plaintiff nos.1 and 2 are the companies incorporated under the laws of California, USA having their registered office in USA. It is alleged that the plaintiff nos. 1 and 2 are sister concern having the same management and common shareholders. The plaintiff no.3 is a company incorporated under the Indian Companies Act and it has its registered office at Mumbai and it carries on business as retailers. It is claimed that plaintiff no.3 is the authorised agent/master franchisee of plaintiff no.2 in India. It is claimed that there is a franchisee agreement entered into between plaintiff no.2 and plaintiff no.3. It is claimed that the plaintiff no.1 opened a retail store in USA under the name "my dollar store" selling various goods which were priced at US$ 1. It is claimed that thereafter, the plaintiff nos. 1 and 2 opened a store under the name " my dollar store" selling various goods which were priced at US$ 1. It is claimed that in or about June,2004 the plaintiff

no.3 as a franchisee opened "my dollar store" in various cities in India including Mumbai. It is claimed that the plaintiff no.1 applied for registration of the trade mark "my dollar store" under the Trade Marks Act in India under class 8 and class 11 of the fourth schedule to the Trade Mark Rules and certificates of registration have been granted in favour of plaintiff no.1. The plaintiff no.2 has also applied for registration of the trade mark but that application is pending. It is also claimed that the plaintiff no.1 proposes to assign the trade mark "my dollar store" to plaintiff no.2 so that the plaintiff no.2 alone will become the proprietor of the trade mark "my dollar store". It is claimed that in or about August,2005, the plaintiffs got information that the defendant is trying to launch a retail shop by name "U$ Dollar Store" which is deceptively similar to the Registered trade mark of the plaintiffs, in Vasant Vihar, Priya Complex, New Delhi. According to the

plaintiffs, the defendant has actually opened the store in New Delhi. It is the case of the plaintiffs that the defendant has thus infringed the registered trade mark of the plaintiffs and has also tried to pass of his store as that of plaintiffs. In this suit the plaintiffs therefore, are claiming permanent injunction restraining the defendant from infringing the registered trade mark as also restraining the defendant from passing of his store as that of plaintiffs. The present notice of motion has been taken out claiming temporary injunction in the similar terms. The defendant carries on business admittedly in New Delhi. Even according to the plaintiffs this Court will not have jurisdiction to entertain the suit so far as the cause of action of the plaintiffs for passing of is concerned, and therefore, the plaintiffs had moved petition no.592 of 2005 under clause XIV of the Letters Patent for combining the cause of action of infringement and passing of and that

leave has been granted in their favour by order dated 16.1.2006. The defendant has filed reply. The defendant has raised an objection that this Court will not have jurisdiction to entertain the suit.

2. I have heard the learned Counsel appearing for both the sides on that objection. According to the defendant, even according to the plaintiffs, this Court does not have jurisdiction to entertain the suit in so far as the cause of action of passing of is concerned. According to the plaintiffs, this Court has jurisdiction to entertain the suit in so far as the aspect of infringement of registered trade mark is concerned. The plaintiffs rely on the provisions of Section 134 of the Trade Marks Act to submit that though the defendant does not carry on business within the local limit of jurisdiction of this Court, in view of the provisions of sub-section (2) of section 134 of the Trade Mark Act,

a suit can be instituted in this Court if it is shown that one of the plaintiffs is carrying on business within the local limit of the jurisdiction of this Court. It is submitted that a suit for infringement of trade mark can be filed by a person who is a registered owner of the trade mark or a person to whom the trade mark has been assigned or who is authorised to use the trade mark by the owner in accordance with law. A cause of action for filing a suit for infringement of trade mark will accrue only to a person who is either a registered owner of the trade mark or assignee of the trade mark or a person who is permitted by the owner in accordance with law to use the trade mark. Therefore, unless the person to whom a cause of action for instituting a suit alleging infringement of trade mark accrues, carries on business within the local limit of the jurisdiction of this Court, this Court will not have jurisdiction to entertain the suit. It is

submitted that in so far as the present case is concerned, the only registered owner of the trade mark is plaintiff no.1. In the plaint the only averment in relation to the registered trade mark and the plaintiff no.2 is made in paragraph 10 of the plaint wherein it is stated that the plaintiff no.1 proposes to assign the trade mark to plaintiff no.2. It is claimed that thus presently the plaintiff no.2 is neither a registered owner of the trade mark nor the registered trade mark has been assigned by the plaintiff no.1 to plaintiff no.2. So far as the plaintiff no.3 is concerned, the only averments to be found in paragraph 1 of the plaint is that the plaintiff no.3 is an authorised agent/master franchisee of plaintiff no.2 in India. It is submitted that the plaintiff no.2, according to the averments in the plaint, has no present right in relation to the registered trade mark, and therefore, there is no question of plaintiff no.3 who is claiming through plaintiff no.2 getting

any rights in relation to the trade mark which is the subject matter of this suit. In reply, the learned Counsel appearing for plaintiffs submits firstly that because leave has been granted under clause 14 of Letters Patent, unless and until that leave is revoked, the defendant cannot claim that this Court does not have jurisdiction to entertain the suit. However, the learned Counsel fairly conceded that the leave which is granted will not prevent this Court from making an inquiry to find out whether prima facie this Court has jurisdiction to entertain the suit when this Court considers the notice of motion taken out by the plaintiffs for interim relief. The next submission of the learned Counsel is based on the judgment of the Supreme Court in the case "Exphar Sa and another Vs. Eupharma Laboratories Ltd. and another, (2004)3 Supreme Court Cases, 688". The learned Counsel submits that the provisions of Section 62 of the Copyright Act is para materia to the provisions of Section 134 of

the Trade Marks Act and construing the provisions of Section 62 of the Copyright Act the Supreme Court has held that if one of the plaintiffs carries on business within the local limit of the Court where the suit is instituted then in view of the provisions of Section 62 of the Copyright Act the suit is maintainable though the plaintiff who carries on business may not be claiming any copyright. The learned Counsel also relies on the judgment of the learned Single Judge of this Court in the case “Dow AgroSciences, LLC, U.S.A. And another in the Leave Petition no.184 of 2006” decided on 4.5.2006.

3. Now it is clear that the only question to be decided is whether the suit based on the cause of action of infringement of trade mark is maintainable in this Court, because the plaintiffs by their conduct of filing the petition under clause XIV of Letters Patent have conceded the position that so far as the passing

of action is concerned this Court does not have jurisdiction to entertain the suit unless leave is granted by the Court. The suit of the plaintiffs is for infringement of registered trade mark and therefore, the first provision in the Act to which in my opinion a reference has to be made is the provision of Section 28 of the Trade Marks Act. Section 28 of the Act reads as under:-

> “28. Rights conferred by registration- (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.
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> (2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and

> limitations to which the registration is subject.
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> (3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

Perusal of the above quoted section 28 of the Act shows that the registration of a trade mark gives exclusive rights to the registered proprietor of the trade mark to use the trade mark in relation to the goods or services in respect of which the

trade mark is registered. It also gives him a right to obtain reliefs in respect of infringement of the trade mark in the manner provided by this Act. Therefore, by registration of the trade mark the rights of exclusive user and right to sue for infringement of the trade mark is created in the registered owner of the trade mark. Perusal of the provisions of Section 29 of the Act shows as to when the trade mark can be said to be infringed. Thus, perusal of section 28 and 29 of the Act shows that when a registered trade mark is infringed, the cause of action accrues to the person who is a registered owner of that trade mark to institute a suit and obtain reliefs against the infringement. It is settled law that a suit can be instituted only by a person to whom cause of action has accrued. The cause of action for instituting a suit for infringement of trade mark would accrue to a registered owner of the trade mark and other person to whom that right is transferred or

assigned in accordance with law by the owner. A person who is not the registered owner of the trade mark or a person to whom the rights in relation to the registered trade mark in accordance with law have not been transferred by the owner will not have any cause of action when a registered trade mark is infringed. In so far as the present case is concerned, as the plaintiff no.1, as per the averments in the plaint, is the registered owner of the trade mark in case of infringement of the trade mark cause of action would accrue to the plaintiff no.1. It is not even the plaintiffs' case that the plaintiff no.1 has transfered any of his rights in relation to the registered trade mark in favour of plaintiff no.2 or plaintiff no.3, therefore, neither plaintiff no.2 nor plaintiff no.3 would have any cause of action to institute a suit for infringement of the trade mark of which the plaintiff no.1 is the registered owner. Now the provisions of Section 134 become

relevant. Section 134 of the Trade Marks Act reads as under:-

> “134. Suit for infringement, etc., to be instituted before District Court-
> (1) No suit-
> (a) for the infringement of a registered trade mark; or
> (b) relating to any right in a registered trade mark; or
> (c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered,
> shall be instituted in any Court inferior to a District Court having jurisdiction to try the suit.
> (2) For the purpose of clauses (a) and (b) of sub-section (1), a “District Court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908(5 of 1908) or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the

> institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.”

Sub-section 1 of section 134 of the Act lays down that a suit for infringement of trade mark or passing of can be filed in a court which is not inferior to a District Court. Sub-section (2) of Section 134 of the Act lays down that in so far as a suit for infringement of a registered trade mark is concerned, it can be instituted, notwithstanding anything contained in Code of Civil Procedure, in a Court within the local limits of whose jurisdiction one of the plaintiffs carries on his business. The phrase used in sub-section (2) of Section 134 of the Act is "the person instituting the suit”. The person instituting the suit is called plaintiff. In case a suit on the cause of action of infringement of

a trade mark is to be filed by one person, that person can file that suit in a Court within the limits of whose jurisdiction he resides or carries on business etc. In case, a suit is to be instituted on a cause of action of infringement of a trade mark by more than one person, the suit can be instituted in a Court within the local limits of whose jurisdiction at least one of them resides or carries on business etc. At this juncture it becomes necessary to see when more than one persons can join in instituting a suit. The law on the point is to be found in Order I Rule 1 of the Civil Procedure Code. It reads as under:-

> "1. Who may be joined as plaintiffs:- All persons may be joined in one suit as plaintiffs where -
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> (a) any right to relief in respect of, or arising out of, the same act or transaction or series of acts or transactions is alleged to exist in such persons, whether jointly, severally or in the alternative; and
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> (b) if such persons brought separate suits, any common question of law or fact would arise."

It is clear that only those persons can join in instituting a suit, who are entitled to a right to relief arising out of or in respect of one transaction. The other provision of law which is relevant is Order II Rule 3 of C.P.C., it reads as under:-

> "3. Joinder of causes of action.- (1) Save as otherwise provided, a plaintiff may unite in the same suit several causes of action against the same defendant, or the same defendants jointly; and any plaintiffs having causes of action in which they are jointly interested against the same defendant or the same defendants jointly may unite such causes of action in the same suit.
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> (2) Where causes of action are united, the jurisdiction of the Court as regards the suit shall depend on the amount or value of the aggregate subject matters at the date of instituting the suit."

Perusal of the above quoted provision shows that plaintiff can join only those causes of action in which they are jointly interested. It is, thus, clear that only those persons can join in instituting a suit who have rights to claim

reliefs against the same defendant. In other words, persons who do not have a right to relief against the defendant can not institute a suit. Thus, when action of a person results in infringement of a trade mark it results in giving a right to relief against that person to more than one persons, then all those persons can join together and institute one suit against the person who infringed the trade mark and such a suit can be instituted in a Court within the local limits of whose jurisdiction one of the persons/plaintiffs resides or carries on business. I have already observed above that only a person to whom the cause of action has accrued can be a plaintiff in the suit. Therefore, in order to confer jurisdiction on the Court to entertain a suit alleging infringement of a registered trade mark, one of the plaintiffs must be carrying on business within the local limits of the jurisdiction of the Court. Merely because a person to whom no cause of action has accrued

or no right to relief has arisen has been joined as plaintiff and that person is carrying on business within the local limits of the jurisdiction of the Court will not be enough to confer jurisdiction on the Court. In other words, you cannot join a person, who does not have any right to relief, as plaintiff only for the purpose of filing the suit within the jurisdiction of a Court. This suit has been instituted in this Court because the plaintiff no.3 carries on business in Bombay. Plaintiff no.3 has no rights in relation to the trade mark which is the subject matter of the suit. Therefore, assuming that the action of the defendant has resulted in infringement of the trade mark, the plaintiff no.3 will not get any right to claim any relief against the defendant so far as the aspect of infringement is concerned. It is obvious that the plaintiff no.3 has been joined in the suit as a plaintiff so that the suit can be instituted in this Court. If

the construction canvassed by the plaintiffs, on the provision of Section 134(2) of the Act is accepted, it will enable a person whose trade mark has been infringed to join a total stranger as a co-plaintiff so that suit for infringement can be filed in a Court of his choice. To my mind, it appears that it cannot be said that this was the intention of the Parliament in enacting Section 134(2) of the Act.

4. Now so far as the judgment of the Supreme Court relied on by the plaintiffs which is referred to above is concerned, perusal of that judgment shows that in that case the appellant no.2 before the Supreme Court was carrying on business within the local limit of Delhi High Court and the Delhi High Court has found that the suit instituted by the appellant no.2 was not maintainable. In this background, the Supreme Court has held that as the appellant no.2 was one of the plaintiffs who is actually

carrying on business within the local limits of Delhi High Court, the suit is maintainable. Perusal of paragraph 3 of the judgment of the Supreme Court referred to above shows that the appellant no.1 was the owner of the Copyright and the appellant no.2 was authorised by the appellant no.1 to manufacture the tablets under the trade mark for sale in rest of the world apart from Nigeria. Thus, in that case the appellant no.2 was a person claiming through the owner of the copyright and in this background the observations made by the Supreme Court in the judgment have to be understood. One more aspect, in my opinion, that is to be kept in mind while reading the judgment of the Supreme is that in that case neither before the Trial Court nor before the Appeal Court the issue of jurisdiction was raised by any of the parties. There was no application made by any of the parties under Order 7 of C.P.C. for return of plaint and in the absence of that application the Division

Bench of Delhi High Court had directed return of plaint. Therefore, principally the question that the Supreme Court was considering was whether the Division Bench of the Delhi High Court was justified in considering the issue of jurisdiction without either of the parties raising that issue and directing return of plaint in the absence of any application under Order 7 of CPC. The Supreme Court in that judgment has observed that though the appellant no.2 before the Supreme Court was not claiming ownership of the copyright, still he was the plaintiff and he was carrying on business within the local limits of Delhi High Court and therefore, the suit was maintainable. But it is clear, as observed above, from paragraph 3 that though the appellant no.2 was not claiming to be an owner of the copyright nevertheless he had entered into a contract with the appellant no.1 who admittedly was the owner of the copyright and the appellant no.1 had authorised him to manufacture the tablets under

the trade mark. Thus, if the copyright was infringed, as the appellant no.2 was claiming through appellant no.1, it cannot be said that no cause of action had accrued to him in the facts of that case. So far as the present case is concerned, in so far as the aspect of infringement is concerned by no stretch of imagination it can be said that any cause of action has accrued to the plaintiff no.3 who is the only plaintiff carrying on business within the local limits of this Court. The plaintiff no.1 is a registered owner of the trade mark and the plaintiff no.3 nowhere claims that he has entered into any contract or agreement with the plaintiff no.1. The plaintiff no.3 is claiming contractual relationship with the plaintiff no.2 and as observed above in so far as the registered trade mark is concerned, the only averments to be found in the plaint is that the plaintiff no.1 proposes to assign the trade mark to plaintiff no.2. There is no claim of actual assignment of

the trade mark or any right in relation to that trade mark by plaintiff no.1 to plaintiff no.2. Therefore, assuming that the defendant has infringed the registered trade mark "my dollar store" that infringement would be of the registered trade mark of the plaintiff no.1 and therefore, the only person to whom cause of action would accrue would be the plaintiff no.1. As the plaintiff no.1 admittedly is not carrying on business within the local limits of this Court, in terms of section 134 of the Act. the plaintiffs' suit prima facie is not maintainable in this Court.

5. Thus, I prima facie find that this Court may not have jurisdiction to entertain the suit, and therefore, it cannot be said that the plaintiffs have made out a strong prima facie case for grant of any temporary injunction. The notice of motion is therefore, disposed of.